

booster savvy

Booster Savvy Fund

Product Disclosure Statement

Offer of units in the Booster Savvy Fund of the Booster Savvy Scheme

9 September 2024

Issuer: Booster Investment Management Limited

This document replaces the Product Disclosure Statement dated 12 October 2023.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.disclose-register.companiesoffice.govt.nz. Booster Investment Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme.

Your money will be pooled with other investors' money and invested in various investments.

Booster Investment Management Limited (**Booster, Us, We** or the **Manager**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the return set by Booster and any bonus return payable

which is informed by investment decisions of Booster and the performance of investments.

Whilst the value of those investments may go up or down, units in this fund are priced at \$1.00 each.

These returns, the types of investments made by the Fund and the fees you will be charged are described in this document.

What will your money be invested in?

Description and investment objective	Risk indicator ¹
<p>The objective of the Booster Savvy Fund (Fund) is to provide a modest return that is competitive relative to on-call transactional accounts while ensuring a stable capital value and ready access to funds.</p> <p>The Fund aims to achieve this through holding bank deposits and government and bank securities.</p> <p>The Fund provides a set return (Set Return), paid monthly by Booster.</p> <p>As the Fund grows over time, there is the potential for bonus returns (Bonus Returns). This will only occur where the Fund's total income exceeds the Set Return and after the deduction of fees and other costs.</p>	<div><div>< Potentially lower returns</div><div>Potentially higher returns ></div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div><div><div>< Lower risk</div><div>Higher risk ></div></div></div>

¹ The Fund was established in December 2021 and the Fund's investment policy changed significantly in May 2023. Accordingly, the risk indicator has been calculated using market index returns for the period 1 July 2019 to 31 May 2023 and actual returns for the period 1 June 2023 to 30 June 2024. The Fund has a \$1.00 unit price and provides a Set Return (with the future potential for Bonus Returns) paid by Booster, rather than direct exposure to the returns of the Fund's underlying assets. As a result of these matters the risk indicator may provide a less reliable indication of the potential future volatility of the Fund. See the 'Other Material Information' document at www.booster.co.nz for details of the index we used to calculate the risk indicator.

Annual fund charges ²	Individual action fees
<p>Booster's capped fee</p> <p>up to 0.60%</p>	<p>Contribution and account closure fees</p> <p>Booster does not charge a contribution (entry) fee or account closure fee.</p> <p>Withdrawal fee</p> <p>Booster does not charge a withdrawal fee to access funds from your account.</p> <p>Other fees</p> <p>Booster may pass on other fees to individual investors in specific situations such as a chargeback request or replacement cards.</p> <p>A fee of 2% is charged for international transactions.</p>
<p>Total annual fund charge</p> <p>up to 0.60%</p>	

² Calculated daily as a percentage of the net asset value of the fund.

Goods and services tax (**GST**) is not included in any of the fees stated. GST will be added to any fees where applicable.

For more information about the fees charged, including how Booster's capped fee (which is referred to as a "performance-based fee" for the purposes of the Financial Markets Conduct Act 2013) is calculated and fees and charges that may be paid to other members of the Booster group, see Section 5 - *What are the fees?*

See Section 4 – *What are the risks of investing?* For an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler.

Who manages the Booster Savvy Fund?

Booster is the manager of the Fund.

You'll learn more about us in Section 7 – *Who is involved?*

What are the returns?

Booster pays a Set Return to your account each month in the form of a distribution where additional units are allocated to you which you will see as a dollar amount in your account. The Set Return will be reviewed at least monthly by Booster and published on its website at www.booster.co.nz.

To the extent the Fund's total income exceeds the Set Return after the deduction of fees and other costs, and certain other criteria are met, a quarterly Bonus Return will be paid. At this time, this return is uncertain (and should not factor into a decision to invest in the Fund).

See Section 2 – *How does this investment work?* for more information.

How can you get your money out?

When you open your account you will receive a debit card, access to our app, and direct access to your money via the New Zealand payments network. This means you can access your money anytime by:

- Pay/transfer money via our app, including directly to a New Zealand bank account and setting up regular automatic payments (note – direct debits cannot be established)
- Purchasing goods and services via the Eftpos network
- Purchasing goods and services using the Mastercard network – online (for either one-off or regular payments), mobile or wearable devices via Apple Pay and Google Pay, or by tapping your physical card
- Withdrawing cash from a New Zealand ATM
- Using your card overseas with any merchant or ATM displaying the Mastercard symbol

At this time, you cannot transfer to overseas bank accounts.

Units are redeemed at the Fund's unit price of \$1.00 per unit. Part units can be redeemed for amounts less than \$1.00.

Your investment in the Booster Savvy Fund can be sold but there is no established market for trading this financial product. This means that you may not be able to find a buyer for your investment. However, you can access your money as described above. We can temporarily restrict or suspend withdrawals in certain circumstances, and there are daily withdrawal limits in place.

We'll explain how you can withdraw your investment, and the restrictions on that, more in Section 2 – *How does this investment work?*

How will your investment be taxed?

The Booster Savvy Scheme is a portfolio investment entity (PIE) for tax purposes.

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

See Section 6 – *What taxes will you pay?* for more information.

Where can you find more key information?

Booster is required to publish quarterly updates for the Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.booster.co.nz. Booster will also give you copies of those documents on request.

The Booster Savvy Fund provides features that have similarities and differences from a transactional account available through a bank, credit union or other financial service provider. Neither the Fund nor the Manager are registered as a bank. For a summary comparison of this Fund against a typical transactional bank account, go to www.booster.co.nz.

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2. How does this investment work?

The Fund has been established within the Booster Savvy Scheme (**Scheme**), a managed investment scheme that is registered under the Financial Markets Conduct Act 2013.

Why invest

The key benefits of investing in the Fund include:

Everyday transactional access. Your money can be accessed 24/7, with a debit card and via our app. You can have your wages credited directly to your account and pay your bills from it. It can be your go-to, everyday account. You are unable to establish direct debits, however you can register your debit card with online merchants to make regular payments. You also cannot make transfers to an overseas bank account.

Access to your account via an app. You can access your account via our app making it easy to manage your money.

Simple. While investment balances may fluctuate, the Fund's units are priced at \$1, so you always know your account balance.

Set return. You will receive a Set Return each month, which is paid by Booster.

Tools. In our app there are a great range of tools that will help you manage your money better.

Money held separate to any corporate entity. Your investment is held on trust separate to the assets of Booster or the Supervisor.

Experience. The investments in the Fund are managed by experienced professionals.

Extras. Free Accidental Death Cover of \$2,000 is available to investors who meet simple eligibility criteria. For more information, see the Other Material Information document available on our website www.booster.co.nz.

While investments will comprise bank deposits and government and bank securities, the Fund is not expected to qualify under any bank deposit guarantee scheme imposed on NZ registered banks.

How it works

The Scheme is a managed investment scheme established as a trust and governed by a Trust Deed, which is an agreement between Booster and the Supervisor (**Public Trust**) describing how the Scheme works and our responsibilities. Booster is responsible for managing the Scheme and the Fund and Public Trust supervises us to make sure we meet our responsibilities and obligations. Public Trust has also appointed a custodian to hold the investments on behalf of investors, on trust.

When your money is invested in the Fund you receive units which are priced at \$1.00 each. With the Fund providing everyday transactional access, your account balance will be shown in dollars so that you will always know how much money you have in your account. See Section 4 – *What are the risks of investing?* for a list of risks for this Fund.

Set Return

Booster will set a return for the Fund (before tax) that is paid (distributed) by issuing additional units to you each month which you will see as a dollar amount in your account. The Set Return (which is expressed as a percentage per annum) will be published on Booster's website at www.booster.co.nz.

Booster sets the return monthly based on a variety of factors including the Fund's return objective, the Manager's capped fee, and expected returns on the Fund's investments.

While the Set Return will generally apply for a full month, Booster reserves the right to change the Set Return at any time. An intra-month change may be necessary due to:

1. The Reserve Bank of New Zealand (**RBNZ**) changes the Official Cash Rate (**OCR**); or
2. The returns available to the Fund on underlying investments change significantly.

Any change in the Set Return will be notified on Booster's website prior to it taking effect.

To support the payment of the Set Return, Booster and the Supervisor (acting on behalf of the Fund) have entered into a 'Swap Agreement'. A swap agreement involves two parties agreeing to exchange one series of payments for another.

Under the Swap Agreement, each month, the Fund receives:

- The amount of the Set Return payable on all investors' balances; plus
- Any amounts required to maintain the unit price at \$1.00,

and in return, the Fund pays:

- The net income (including all investment income) earned by the Fund.

These amounts are set off against each other so only the net amount is payable. This means that where the Fund's investment returns are less than the Set Return, Booster 'tops up' the shortfall to ensure investors receive the Set Return. Where the Fund's investment returns are more than the Set Return, the Fund pays Booster the surplus. Booster's rights to retain the surplus are limited in the way described on the next page under *Potential Bonus Return*.

When the Set Return may not be paid

There is a risk that Booster may not be able to fund the additional top up to meet the Set Return. We believe this risk is unlikely to arise because:

- the Fund's investments are low risk income type assets;
- the financial resources of Booster are assessed by it as being substantially higher than the potential financial impact of Booster's obligations under the Swap Agreement, based on modelling and stress test scenarios (Booster's audited annual financial statements are available at companies-register.companiesoffice.govt.nz); and
- the Supervisor will have oversight of the Swap Agreement.

See Section 4 – *What are the risks of investing?* for a list of risks for this Fund.

Payment system income, fees and expenses

Your Booster Savvy account gives you transactional access to your money by providing you a debit card and the ability to transfer funds into and out of your account via the NZ payments network.

Through this network (which Booster's parent company has access to on behalf of the Fund), Booster may receive 'interchange fees' and other transaction based income ('payment system income') for certain transactions – such as contactless payments, international transaction fees, cash withdrawals from overseas ATMs and online purchases. Booster also pays fees and expenses for accessing this network ('payment system expenses').

As an investor, you don't directly receive the payment system income, or pay the payment system expenses (Booster does). However, if there is any surplus payment system income after the deduction of recoverable payment system expenses and other fees and costs, this may be paid to you via the Bonus Return, as described further below.

Note: Payment system income doesn't include the amount of any surcharge that a merchant might impose for contactless payments or other transactions. Such amounts are retained by the merchant.

Potential Bonus Return

The Bonus Return is designed to give investors the benefit of any surplus the Fund may earn in excess of costs and Booster's capped fee.

Each quarter, Booster works out how much that quarter's payment system income plus the Fund's investment returns exceed that quarter's recoverable payment system expenses, the cost of the Set Return and any other amounts paid by Booster to keep the Fund's unit price at \$1.00, together with any fraud related costs or extraordinary fund expenses incurred in that quarter.

If there is an excess, Booster gets paid its fee, up to a cap of 0.60% p.a. If the excess is more than Booster's capped fee it then pays out unrecovered fraud related costs* and extraordinary fund expenses held over from the preceding three quarters (if any). Any remaining amount is paid to investors as a Bonus Return.

*Booster may waive the recovery of fraud related costs held over from the preceding three quarters at its discretion.

See Section 4 – *What are the risks of investing?* for more on the fraud related costs, and Section 5 – *What are the fees?* for more on Booster's capped fee and extraordinary fund expenses, as well as payments that may be made to other members of the Booster group.

The Bonus Return is paid (distributed) following the end of a quarter by issuing additional units to you. Quarters are the three calendar month long periods ending on the last day of: March, June, September and December.

It is unlikely that the Fund will pay a Bonus Return until the Fund has been established for some time. The payment of a Bonus Return is not guaranteed and you should not rely on any Bonus Return being paid.

See Section 5 – *What are the fees?* for further information on the fees and other costs associated with this Fund.

How do we pay (distribute) returns to you

The returns you get will be calculated by applying the Set Return to your 8pm daily account balance. The returns are accrued each calendar month and credited to your account around the start of the following month. If you close your account during a month, the distribution will be calculated for the part-month up to the date of your account closure. Each time you receive your distribution we will set-aside an amount for any tax you payable at your current Prescribed Investor Rate (PIR).

In the event a Bonus Return is payable, this will be based on the average of your 8pm daily account balance over the whole quarter. Each time you receive a Bonus Return we will set-aside an amount for any tax payable at your current PIR. To be entitled to the Bonus Return, your account must be open at the time the amount is paid (which is generally within 10 working days of the quarter end).

See Section 6 – *What taxes will you pay?* for more information on tax.

Making investments

How do you invest?

You can invest in the Fund via the Booster NZ app which can be downloaded from the Apple app store or Google Play. Follow the in-app step by step instructions to set up your account, and to transfer money to your account.

How much can you invest?

There is no minimum initial investment in the Fund. While you're not required to make any further investments, you can invest more at any time by making additional investments (with no minimum amount).

While the maximum amount you invest is up to you, Booster reserves the right to refuse to accept or reduce the amount of an investor's initial, further or existing investment in the Fund in order to ensure that the Fund maintains its PIE eligibility status for tax purposes. Booster also reserves the right to refuse to accept or reduce the amount of an investor's initial or further investment in the Fund in its discretion. For more information in relation to PIE eligibility, see the 'Other Material Information' document available on our website at www.booster.co.nz.

Booster may vary the minimum investment amounts at any time.

How do you pay?

When your account is opened, you will be provided with a unique account number that gives you direct access to the payments network. Any future contributions, including your regular salary and wages, can be directly credited to this account number. **Cash deposits will not be accepted.** When your money is invested in the Fund you receive units which are priced at \$1.00 each.

Withdrawing your investments

Your money may be withdrawn from the Fund 24/7. When you open your account, you will receive a debit card as well as access via our app to give you direct access to your money via the payments network. This means you can access your money by:

- Transferring money via our app, including transferring directly to a New Zealand bank account and setting up regular automatic payments (note - direct debits cannot be established)
- Purchasing goods and services via the Eftpos network
- Purchasing goods and services using the Mastercard network – online (for either one-off or regular payments), mobile or wearable devices via Apple Pay and Google Pay, or by tapping your physical card
- Withdrawing cash from a New Zealand ATM
- Using your card overseas with any merchant or ATM displaying the Mastercard symbol

At this time, you cannot transfer to overseas bank accounts.

Units are redeemed at the Fund's unit price of \$1.00 per unit. Part units can be redeemed for amounts less than \$1.00.

At 31 March each year, or on full closure of your account, tax is payable to the Inland Revenue on the Set Return and any Bonus Return you receive. We will set aside this tax amount from distributions paid to you at your PIR, to ensure enough money remains in your account to cover any taxes payable. Any money set aside for the payment of tax is not reflected in your account balance, or accessible by you, though you do continue to earn the Set Return and Bonus Return (if any) on this amount until we are required to pay it to Inland Revenue.

How much can you withdraw?

We set maximum per transaction and daily withdrawal limits across transaction types to reduce the potential loss should your account be compromised in any way. The limits vary depending on the type of transaction and the current limits are set out in the table below. Should you need to withdraw or transfer more than this amount, you can contact us and we can make the payment on your behalf. There may also be lower ATM daily limits depending on the ATM used.

Transaction type	Daily Transaction Limit
Transfers to New Zealand bank accounts - Same Day	\$9,999
Transfers to New Zealand bank accounts - Automatic Payments and Future Dated	\$9,999 (per transaction)
New Zealand Eftpos transaction	\$2,000
Tapping your physical card when in New Zealand	\$2,000
New Zealand and overseas Mastercard online transactions	\$5,000
New Zealand and overseas Mastercard transaction via Apple Pay or Google Pay	\$2,000
Tapping your physical card or inserting your card and using your pin when overseas	\$2,000
ATM	Set by ATM operator

There is no minimum withdrawal amount and no minimum on-going balance.

Where your account balance remains at nil continuously for a period of at least 1 year, Booster reserves the right to close your account.

Booster may vary the minimum or maximum daily withdrawal amounts and impose a minimum ongoing balance amount at any time. For example, a reduced maximum withdrawal amount (including a temporary suspension of withdrawals) may be imposed where we believe that making payments is not practicable or is in the best interests of all investors in the Fund including where there is insufficient access to liquidity in the Fund.

Restricting access to investments and withdrawals

In certain circumstances - for example where we need to take action to comply with anti-money laundering laws, or where we suspect you of being involved in fraudulent activity, we may restrict access to your ability to make investments and withdrawals. We may do this by for example freezing or cancelling your debit card or access to the Booster NZ app.

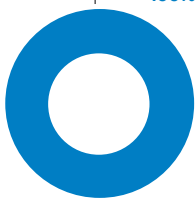
Description of your investment options

Booster Savvy Fund

Investment objective and strategy

- The objective of the Fund is to provide a modest return that is competitive relative to on-call transactional accounts while ensuring a stable capital value and ready access to funds.
- The Fund aims to achieve this through holding bank deposits and government and bank securities.
- The Fund provides a Set Return, paid monthly by Booster.
- As the Fund grows over time, there is the potential for additional Bonus Returns. This will only occur where the Fund's total income exceeds the Set Return and after the deduction of fees and other costs.
- While the value of investments held by managed funds may fluctuate, the Fund's units are priced at \$1.00 each.

Target investment mix



Growth assets 0% | Income assets 100%

Risk indicator

< Potentially lower returns | Potentially higher returns >

1	2	3	4	5	6	7
< Lower risk			Higher risk >			

Minimum suggested investment timeframe

On-call

³The Fund was established in December 2021 and the Fund's investment policy changed significantly in May 2023. Accordingly, the risk indicator has been calculated using market index returns for the period 1 July 2019 to 31 May 2023 and actual returns for the period 1 June 2023 to 30 June 2024. The Fund has a \$1.00 unit price and provides a Set Return (with the future potential for Bonus Returns) paid by Booster, rather than direct exposure to the returns of the Fund's underlying assets. As a result of these matters the risk indicator may provide a less reliable indication of the potential future volatility of the Fund. See the 'Other Material Information document' at www.booster.co.nz for details of the index we used to calculate the risk indicator.

Statement of Investment Policy and Objectives

If you would like to learn more about the Fund, you can read the SIPO. The additional details in the SIPO include more information on the investments that the Fund can make. The most current SIPO for the Fund can be found on our website www.booster.co.nz. We may change the SIPO from time to time without notifying you. We will consult

with the Supervisor and give them written notice of any changes before they take effect. Any material changes will be advised in the Booster Savvy Scheme annual report.

Further information about the assets in the Fund can be found in the fund updates at www.booster.co.nz.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



The risk indicator for the Fund covered in this Product Disclosure Statement can be found on page 1.

The risk indicator is rated from 1 (low) to 7 (high). The rating usually reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler/

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading “Other specific risks”) that are not captured by this rating.

This risk indicator is not a guarantee of a Fund’s future performance. The risk indicator is based on the returns data for the 5 years to 30 June 2024. Whilst risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the Fund. Fund updates are published each quarter on www.booster.co.nz.

General investment risks

Investors’ returns from the Fund come in the form of the Set Return (with the future potential of a Bonus Return). Some of the things that may cause those returns to move up and down, which affects the risk indicator, are below.

Set Return risk. Booster sets the return monthly based on a variety of factors including the Fund’s return objective and expected returns on the Fund’s investments. The Set Return may change each month. Booster can also change the Set Return intra-month in certain circumstances – for example, where RBNZ changes the OCR. Refer to Section 2 – *How does this investment work?* for further information on the Set Return.

Bonus Return risk. The likelihood and amount of any Bonus Return depends on a number of factors, including the amount of any surplus of the Fund’s investment returns over the Set Return and the amount of payment system income (which is based on the value of certain types of income generating transactions) relative to the recoverable payments system costs, any unrecovered fraud costs, and Booster’s capped fee. It is not anticipated that the Fund will generate a surplus of income over costs until it grows and achieves greater scale. Until that point, no Bonus Return will be paid (and Booster will cover any shortfall itself).

Some of the risks affecting the Fund’s investment returns, the amount of the Set Return, and the potential for a surplus over the Set Return (which also affects the potential to receive a Bonus Return) are noted below:

Asset class risk. The risk is largely determined by the mix of assets in the Fund. The Fund holds income assets such as bank deposits and government and bank securities which do not generally experience frequent losses and gains when compared with other funds with more growth assets such as shares.

Manager risk. The risk that the Fund underperforms because of the way we, or an investment manager that we have selected, manages the Fund’s investments.

Market risk. The risk that the Fund experiences loss due to factors that may impact the overall performance of financial markets. These factors include, but are not limited to, economic and regulatory conditions, political events, environmental and technological issues.

Interest rate risk. The risk that interest rates on fixed interest investments held by the Fund increase, causing a drop in their value.

Credit risk. The risk that the value of a fixed interest investment can drop because there are doubts about the ability of a borrower to meet their future payment obligations.

Other specific risks

There are other factors that may impact returns for investors.

Liquidity risk. This is the risk that the Fund is unable to cash-up an investment at the desired time.

Booster may reduce the maximum withdrawal amount or temporarily suspend withdrawals where we believe that this is in the best interests of all investors in the Fund.

Such circumstances could impact investors’ ability to access their funds when required, including via debit card or app transaction. Booster reduces the likelihood of this risk occurring by ensuring a high proportion of the Fund’s investments are in cash or will mature and/or can be sold within a short timeframe to meet these redemption requests.

Inability to meet obligations under the Swap Agreement risk. There is a risk that Booster may not be able to fund the top-up required to meet the Set Return or to maintain the unit price at \$1.00. We believe this risk is unlikely to arise because:

- the Set Return will generally be payable from the Fund’s investment returns, and the level of investment risk taken by the Fund is relatively low;
- the financial resources of Booster are assessed by it as being substantially higher than the potential financial impact of Booster’s obligations under the Swap Agreement, based on modelling and stress test scenarios (Booster’s audited annual financial statements are available at companies-register.companiesoffice.govt.nz); and
- the Supervisor will have oversight of Booster’s obligations under the Swap Agreement.

Transactional fraud risk. Due to you having direct access to your account, whether by using your debit card instore or online, there is a risk of your money being accessed by fraudsters. This risk can be reduced by you applying simple day-to-day precautions in the use and management of your debit card and by complying with the debit card terms and conditions which are available **here**. Booster takes the security of your account seriously and has processes and procedures to reduce the impact of any fraud losses, and protocols to assist in the recovery of fraudulently taken money if it does occur. The total cost of unrecovered fraud incurred by Booster will affect the ability to pay a Bonus Return. See the *Fraud & Security* section under the FAQs at www.boostersavvy.co.nz for further information on the handling of fraudulent transactions, including when a fraud loss may be incurred by you.

Temporary unavailability risk. There may be times when access to your money or account may be temporarily unavailable such as in the event of an outage of one or more systems involved in the payments network or of Booster’s own systems. While we endeavour to ensure all withdrawal services and account access are continuously available, there may be circumstances out of our control which may impact this. Should this happen we use common market practices to minimise any disruption to you.

5. What are the fees?

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term;
- one-off fees (for example, replacement card costs or chargeback request costs).

Annual fund charges

Fee type	Amount (%)
Booster's capped fee	Up to 0.60%
Total annual fund charge	Up to 0.60%

Booster's Capped Fee

The Manager earns a fee for managing this Fund. The fee is variable depending on the total income and expenses of the Fund (and for that reason is referred to as a "performance-based fee" for the purposes of the Financial Markets Conduct Act 2013), but will be no more than 0.60%p.a. Payment of the fee is made via the Swap Agreement. No other fee is payable to the Manager.⁴

Each quarter, the Manager works out how much that quarter's payment system income plus Fund's investment returns exceed that quarter's recoverable payment system expenses, Set Return and any other amounts paid by Booster to keep the Fund's unit price at \$1.00, together with any fraud related costs or extraordinary fund expenses incurred in that quarter.

If there is an excess, Booster gets paid its fee, up to a cap of 0.60% p.a. If the excess is more than Booster's capped fee, a Bonus Return may be payable. See the section *Bonus Returns* on page 5 for more about the Bonus Return.

From its fee, the Manager pays the normal costs of operating the Fund. Those costs include the Supervisor's fee, and other costs of managing and administering of the Fund, which include administration, audit, accounting and custodian fees, and ongoing marketing expenses. To the extent the fee is insufficient to cover those costs, the Manager pays them out of its own money.

The fee does not reduce the Set Return received by investors i.e. it is not deducted from investors' account balances.

The fee payable to Booster is based on the calculations described below, rather than the performance of the Fund relative to a market index or peer group index.

Hurdle rate of return. The total amount of the quarter's recoverable payment system expenses, Set Return and any other amounts paid by Booster to keep the Fund's unit price at \$1.00, together with any fraud related costs or extraordinary fund expenses incurred in that quarter.

Amount of the fee. The amount by which the quarter's payment system income and total Fund's investment returns exceed the hurdle rate of return.

Maximum limit of the fee. The maximum limit of the fee payable is 0.60% p.a.

No high watermark. There is no high watermark on the fee payable.

Frequency of calculation and payment. The fee is calculated and paid on a quarterly basis.

⁴ Certain transaction processing fees and charges included in the 'payment system expenses' are paid to Banzpay Technology Ltd which is a company 100% owned by Booster's parent company as at the date of this PDS. These charges have been set on an arms-length basis.

Individual action fees

Contribution fee

Booster does not charge an entry fee.

There may be circumstances outside of Booster's control where a financial institution involved in a funds transfer to your Savvy account charges a handling fee. This may include a fee for transfers from an overseas account.

Withdrawal fee

Booster does not charge a fee for withdrawals made in the following ways:

- Transfers to a NZ bank account or setting up regular automatic payments;
- Payments through the Eftpos network;
- Payments using the Mastercard network including online, mobile or wearable devices via Apple Pay or Google Pay, or by tapping your physical card; and
- Withdrawals from a New Zealand ATM.

The following withdrawal transactions will incur a fee:

- Making payments to overseas merchants in person or online (either in a foreign currency or New Zealand dollars); and
- ATM withdrawals overseas.

For these transactions, an international transaction fee is charged of 2% of the NZ dollar amount of the transaction. These fees are treated as payment system income for the purpose of the calculation of the potential for a Bonus Return. For foreign currency transactions, the exchange rate is set by Mastercard.

There may be circumstances outside of Booster's control where a surcharge applies to a transaction (e.g. a merchant applies a surcharge for Mastercard/PayPass transactions, or a surcharge may apply for some NZ ATM withdrawals).

Chargeback request costs

A chargeback request is where Booster seeks to dispute and chargeback a card transaction at your request. The ability to request a chargeback is limited and subject to Mastercard's rules. Examples of this occurring include:

- Fraudulent use of your card via the internet, mail order or telephone; or
- Where you did not receive the goods or services or find an issue with goods and services you received, and you have not been able to resolve this with the merchant directly.

Where Booster is satisfied that a transaction is fraudulent and not caused by things you did or didn't do, Booster will not pass on the chargeback costs.

For non-fraud related transactions, such as an unresolved dispute with the merchant, a chargeback fee of \$50 per transaction will be passed on to you, being the cost charged to Booster by its external provider.

Replacement Debit Card Fee

A debit card will be provided to you, free of charge, when you join the Fund. Should you need a replacement debit card for any reason, Booster may pass on the \$10.00 charge to you. This fee is waived when a replacement card is required due to fraudulent activity or when a card has expired.

Other fees and expenses

Extraordinary fund expenses

In addition to the fees and expenses above, the Supervisor and Booster are entitled, under the Scheme's Trust Deed, to be reimbursed for all non-regular and extraordinary costs, expenses and liabilities incurred whilst acting as the manager or supervisor of the Fund. These are not paid directly by the Fund but are a cost that will be considered when calculating the ability to pay Bonus Returns.

Costs considered in calculating the Bonus Returns

As noted above in Section 2: *How does this investment work?* a potential Bonus Return is payable after consideration of payment system income and certain other costs. These costs include recoverable payment system expenses, unrecovered fraud related costs and extraordinary fund expenses.

GST

Goods and services tax (GST) is not included in any of the fees stated. GST will be added to any fees where applicable.

The fees can be changed

Any new fees or changes to existing fees are subject to the Trust Deed. We will consult and agree any fee change with the Supervisor and provide one month's notice of any increase in Booster's capped fee to all investors in the Fund.

Booster must publish a fund update for the Fund showing the fees actually charged during the most recent year.

Fund updates, including past updates, are available at www.booster.co.nz.

Example of how fees apply to an investor

Sam invests **\$10,000** in the Fund. They are not charged an establishment fee. They are not charged a contribution fee. This brings the starting value of their investment to **\$10,000**.

Sam is not charged management and administration fees.

The Manager of the Fund receives a fee of **\$60 (0.60% of \$10,000)** from which it pays the management and administration fees and other costs. This fee does not reduce the amount that Sam receives as a Set Return, and neither does it get deducted from Sam's account balance.

Estimated total fees for the first year

Individual action fees: **\$0**

Fund charges: **\$0**

Booster's capped fee: **\$60**

See the latest fund update (once available) for an example of the actual returns and fees investors were charged over the past year.

6. What taxes will you pay?

The Booster Savvy Scheme is a portfolio investment entity (PIE). The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell Booster your PIR when you invest or if your PIR changes. If you do not tell Booster, a default rate may be applied.

If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process.

If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

At 31 March each year, or on full closure of your account, tax is payable to Inland Revenue on the Set Return and any Bonus Return you receive. We will set aside this tax amount from distributions paid to you at your PIR, to ensure enough money remains in your account to cover any taxes payable (which we pay on your behalf). Any money set aside for the payment of tax is not reflected in your account balance, or accessible by you, though you do continue to earn the Set Return and Bonus Return (if any) on this amount until we are required to pay it to Inland Revenue.

For further information on tax see the *Other material information* document available on our website www.booster.co.nz.

7. Who is involved?

About Booster

Booster Investment Management Limited (Booster) is the manager and issuer of the Fund, and part of the Booster Group which has been helping New Zealanders save since 1998. The group currently administers superannuation and investment funds of over \$6 billion on behalf of more than 190,000 New Zealanders.

You can contact us at:

Phone: **0800 336 338**

Monday to Friday 8.00am-8.00pm

Email: savvy@booster.co.nz

Write: **Booster Investment Management Limited**
Level 19, Aon Centre, 1 Willis Street
PO Box 11872, Manners Street Wellington 6142

Who else is involved

	Name	Role
Supervisor	Public Trust	Supervises us to make sure we meet our responsibilities and obligations.
Custodian	PT (Booster Investments) Nominees Limited	Appointed by the Supervisor to hold the assets of the Fund on behalf of the customers. The Custodian is a wholly-owned subsidiary of the Supervisor.
Service Provider	Booster Financial Services Limited (BFSL)	Provides resourcing, administration and management support to us and the Scheme, including access to the payments system through various service providers. BFSL is our parent company.
Other	Booster Custodial Administration Services Limited	Appointed by the Custodian and the Supervisor to provide custodial administration services.

8. How to complain

Any complaints about the Fund can be made to us (in the first instance), or the Supervisor, at the contact details below:

Manager

Booster Investment Management Limited
Attn. Chief Operating Officer
Booster Investment Management Limited
Level 19, Aon Centre, 1 Willis Street
PO Box 11872, Manners Street
Wellington 6142
Phone: **0800 336 338**
Email: **savvy@booster.co.nz**

Supervisor

Public Trust
Attn. General Manager, Corporate Trustee Services
Level 2, Public Trust Building, 22-28 Willeston Street
Private Bag 5902
Wellington 6140
Phone: **0800 371 471**
Email: **CTS.Enquiry@PublicTrust.co.nz**

If your complaint can't be resolved, you can refer it to one of the following approved dispute resolution schemes. They won't charge you a fee to investigate or resolve your complaint.

Booster's approved dispute resolution scheme

Financial Dispute Resolution Service
Level 4, 142 Lambton Quay
Freepost 231075
PO Box 2272
Wellington 6140
Phone: **0508 337 337**
Email: **enquiries@fdrs.org.nz**
Web: **www.fdrs.org.nz**

Public Trust's approved dispute resolution scheme

Financial Services Complaints Limited
Level 4, 101 Lambton Quay
PO Box 5967
Wellington 6140
Phone: **0800 347 257**
Email: **complaints@fscl.org.nz**
Web: **www.fscl.org.nz**

9. Where you can find more information

More information about the Fund, including fund updates, financial statements, annual reports, the Trust Deed, SIPO, and other material information is available on the Scheme register and offer register at **www.disclose-register.companiesoffice.govt.nz** and copies can be requested from the Registrar of Financial Service Providers. Many of these documents, as well as a link to where to find the Fund's Climate Statements, can be found at www.booster.co.nz.

You can also get this and other information about your investment, free of charge, from your financial adviser, or by asking us:

Phone: **0800 336 338**
Monday to Friday 8.00am-8.00pm
Email: **savvy@booster.co.nz**

Write: **Booster Investment Management Limited**
PO Box 11872, Manners Street, Wellington 6142
Visit: **www.boostersavvy.co.nz**

10. How to apply

You can invest in the Fund via the Booster NZ app which can be downloaded from the **Apple app store** or **Google Play**. Follow the in-app step by step instructions to set up your account, and to transfer money to your account.



We're here to help.

To find out more about the Fund or
Booster Savvy Scheme talk to your
financial adviser, call us on
0800 336 338 or visit our website.

boostersavvy.co.nz

Booster Investment Management
Limited, PO Box 11872, Manners Street,
Wellington 6142, New Zealand